

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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APRIL 26, 1933

President Consults Visiting Statesmen

Ramsay MacDonald and Edouard Herriot First to Arrive for Economic Talks

PREPARE FOR LONDON MEETING

Roosevelt Takes the Leadership in World Battle on Depression

President Roosevelt turns his attention to foreign affairs this week as the first of the visiting foreign statesmen arrive in Washington. The chief executive will engage in conferences with Prime Minister MacDonald of Great Britain, former Premier Herriot of France and Premier Bennett of Canada. They come to Washington in order to hold preliminary discussions preparatory to the convening of the World Economic Conference in London during the month of June.

The success or failure of that conference may be determined in the national capital this week. If the above-mentioned statesmen can come to some agreement on the essentials of a program for the London meeting, hope for its success will brighten. If they cannot attain a common ground it will practically be futile to hold the conference at all.

For, as stated in THE AMERICAN OBSERVER two weeks ago, the problems to be considered at London are so intricate, of such weighty importance, and involve the interests of nations to such an extent that some prior understanding among at least the major nations is essential. President Roosevelt has recognized this fully. That is why he invited eleven nations to send representatives to Washington for preliminary discussions. And the governments of those eleven nations—Great Britain, France, Italy, Germany, Japan, China, Argentina, Brazil, Chile, Mexico and Canada—were also aware of the need for such talks. They were prompt to forward their acceptance of the president's invitations. Prime Minister MacDonald lost no time in making preparations for his voyage. He set sail from England on April 15 and was scheduled to arrive in New York on April 21. He was to go immediately to Washington where he planned to spend four days in Washington as guest of President Roosevelt at the White House, expecting to return home on April 26.

Two days after Mr. MacDonald embarked for the United States, former Premier Edouard Herriot left France for the same destination. He did so because it was felt desirable that the two European statesmen should be in Washington at the same time since the United States, Great Britain and France are the principal countries which must make decisions at the London conference. And scarcely less important is Canada. She represents, in a way, the British dominions. Under the Ottawa agreements of last summer, Great Britain is pledged to give the dominions certain trade advantages. These agreements will naturally have to be considered in any proposed measures to be adopted at the London conference. Great Britain cannot act independently of her dominions. For this reason the presence of Premier Bennett of Canada in Washington (unless there is a change of plan

(Concluded on page 8, column 1)



—Talburt in Washington News
HANDS ACROSS THE SEA

A Rule of Conduct

President Wilson had occasion at one time to decide upon a matter of policy in a case involving a dispute with Great Britain. The case related to the charging of a toll for passage through the Panama Canal. Congress had passed an act providing that American coastwise shipping might go through the Canal without payment of toll. The British declared this a violation of a treaty between Great Britain and America which decreed that the ships of all nations might use the Canal on equal terms. There was an honest difference of opinion as to the interpretation of the treaty. President Wilson decided that the act of Congress should be repealed. There was, he said, doubt as to whether we had a right to excuse American ships from payment, and he added a statement which should live in American history. "Let us," he said, "resolve the doubt against ourselves!" His critics raved when this declaration was made. They charged that he had betrayed the interests of his country. He was called "pro-British." He was called weak and "un-American." He had, however, proclaimed a rule, which, if universally followed, would banish war from the world. It would make for good will and coöperation among the nations. The rule of conduct proclaimed by Woodrow Wilson is no less appropriate as a guide for the individual. Personal and social relations would be far smoother if, in case of doubt, we resolved the doubt against ourselves. If we followed that rule, we would sometimes lose temporary advantages. But we would establish reputations for honesty and fair play. One who practiced the rule day in and day out, year in and year out, would after a while gain a universal respect. And his losses would be small. He could well afford to lose such advantages as were his by dubious right. The best of his possessions would still be unchallenged. His finest achievements would be undisputed. He could still stand stoutly for his unquestioned rights. He would not need be soft or weak or futile. He could still fight resolutely and fearlessly for every privilege which belonged to him, just as a nation following the rule might still strive heroically for every challenged right. The most trying troubles of public and personal life come from conflicts over doubtful points. The nation or the individual following the principle that these rights should be resolved against itself or himself would come to a new leadership, proving that honesty and fair play are the best policies. They would, in addition, gain a self-respect such as may be built only upon a foundation of clean conscience and unquestioned fairness.

Revival of Industry in Roosevelt Plans

President Considers Sweeping Line of Attack Upon Depression Along All Fronts

SHORTER WORKWEEK A PART

Drastic Governmental Control of Production and Wages May Be Recommended

The seventh week of the Roosevelt administration finds the national capital in an eagerly expectant mood. It is known that far-reaching measures, designed to lead the nation toward recovery, are being framed at the White House. It is confidently expected that important announcements of policy will be made soon by the president. The precise nature of his recommendations have not been made public. The plans, it seems, are not yet completed. It is known definitely, however, that the president and his advisers are tackling the problem of depression and unemployment vigorously and that they will soon ask for a sweeping legislative program.

Historical Background

In order to clear the way for an understanding of such anti-depression policies as may be announced, let us examine some of the best known and most widely accepted theories as to the best means of dealing with economic crises. In the past, the prevailing idea has been that the government should keep its hands off and allow a depression to run its course. Crises in the past have, indeed, run their courses. After a few months of low prices, business losses, failures, unemployment and reduced production, the tide has always turned. Production always reaches a low mark after a depression has continued for some time. So little is produced that wholesale houses and retail establishments have very little on their shelves. After a while the supply of goods falls so low that even the greatly reduced demand for goods cannot be met. Retail stores increase their orders for goods. Factories begin slowly to increase output. This puts more men to work. Purchasing power is further raised, which in turn calls for still further demands and the country finds itself after a while on the upward grade.

Many people have hoped that history would repeat itself this time. They have heard and repeated the promise of prosperity "just around the corner." The fact remains that supplies of goods in the stores, low as these supplies are, are not being purchased. Prices are not rising. Men are not being reemployed. Farmers and business men and home owners are staggering under a burden of debt which they are unable to bear. If we wait for conditions to adjust themselves, it appears that we must go through further deflation in the form of bankruptcies, lower prices and increased unemployment. The "hands off" policy was popular during the early days of the present economic crisis, but in its extreme form it has not had many defenders during the later phases of the depression.

The first important step by the government to assist business came two years or so ago in the form of loans. It was felt that if the government would lend money to banks, insurance companies and rail-

roads the money in the banks would be rendered safe and investments in the insurance companies and railroads would be made secure, and that the forces of depression could be combated by bolstering up those great financial institutions. Money was poured into such organizations, but the railroads were not rendered prosperous. The insurance companies still felt the drain as policy holders borrowed on their policies. And what happened to the banks despite the loans they received from the Reconstruction Finance Corporation is too well known to need repetition.

Then came loans to private concerns with the purpose of stimulating business. These loans, too, were made by the Reconstruction Finance Corporation, but they were made only to firms which were in a position to invest safely the money they borrowed, to firms that were in a position to make money out of the borrowed funds so that the sums borrowed could be repaid. In other words, the loans were only to be made for self-liquidating projects.

These loans had little effect on business conditions. The trouble was that when business was so bad few firms could offer the Reconstruction Finance Corporation assurance that they could make money out of the funds which they borrowed. If they could give assurance of that kind they could borrow from the banks. The banks had money to lend, but they demanded safety before lending it and in such uncertain times no one can invest money safely. In order really to have stimulated business the Reconstruction Finance Corporation money should have been loaned, or spent, for public works or slum clearance, or public improvements, or something of that sort, but if it had been lent in that way, the loans might not have been paid back, for such enterprises are non-profit-making—they are not self-liquidating.

Roosevelt's Early Acts

This brings us to the beginning of the Roosevelt administration. The first acts of the new president were of an emergency nature. He closed the banks and has been reopening them on a safer basis. He cut down government expenses drastically so that people would have renewed confidence in the government and so that the government would be able to borrow money and proceed with a far-reaching program of business stimulation if it saw fit to do so. These early acts of the administration bolstered public confidence and encouraged a spirit of optimism. They did not, however, create new purchasing power nor did they give jobs to the workless. As a matter of fact, the purchasing power of the country is far less than it was two months ago. Five billion dollars is tied up in banks which have not reopened. And the salary cuts, the curtailment of benefits to veterans and the dismissal of government employees has withdrawn two billion dollars more that would otherwise have been used for the purchase of commodities. Seven billion dollars must therefore be put to work before the purchasing power of the country, and hence the demand for goods in the country, is back where it was a few weeks ago. This gives an indication of the seriousness of the present situation and of the necessity for immediate action of some kind if we are not to sink deeper and deeper into depression. It accounts for the activity at the White House looking toward the formulation of a new recovery program. Among the measures under consideration in addition to the agricultural and home-owners relief legislation which have already been discussed in this paper the following are outstanding: (1) a public works program; (2) the shortening of the workweek; (3) direct governmental control and stimulation of private industries. It is possible that there will be a combination of all these, combined with minimum wage legislation designed to prevent wages from falling to lower levels.

For Public Works

Public Works Program: It is practically certain that the government will borrow money by issuing bonds and that it will use this money for the carrying on of a public building program. This will give

employment to many men now out of work. Here is the argument in favor of such a policy:

There is plenty of money in the country to carry on new enterprises. The banks have money to lend, if only they could lend it to people who can certainly pay it back. They are afraid to lend it to private business concerns for fear it could not be repaid. The private business establishments are afraid to borrow money for fear that if they did borrow it and did expand their enterprises, and did increase production, they would not find a market for their products. The result is that the money is lying idle. Industrial plants are also idle, and so are a third or a fourth of the workers of the nation. If the government should set out to borrow money by issuing bonds, much of this idle capital would be used to purchase the bonds, for the bankers and others who are holding

The weakness of government employment of this kind as a road to recovery lies in the fact that it would be very difficult for the government operations to be extensive enough to turn the tide definitely. The present plans which are being seriously considered call for the expenditure of only two or three billion dollars for the public building program. That is considered a very heavy outlay. And yet, as we have seen, seven billion dollars must be added to the purchasing power before we are back where we were a few weeks ago.

Stimulation Needed

There is, therefore, a question as to whether the government can spend enough to get us started certainly upward. A tremendous stimulation to the industry of the country is needed. Will it be possible for the government to take upon itself such a



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AMERICAN INDUSTRY TAKES HOPE AS PRESIDENT ROOSEVELT PUSHES FORWARD HIS PROGRAM FOR RECOVERY.

their money idle would be willing to invest it in bonds. The government would take this money and set it to work, by building roads, or replacing slums, or setting out forests, or carrying on flood control projects, or doing a number of other kinds of work. The money spent by the government would go to workers, who would spend it for goods of all kinds, or else it would go to factories of various sorts for supplies to be used in carrying on the construction activities. The money that went to the factories for supplies would stimulate these factories to produce more goods, and this, in turn, would lead to the employment of more men and the spending of more money by the workers who are employed. This would add to the purchasing power of the nation and to the demand for goods. In this way it would raise prices and help business.

large share of the industrial activity of the nation as to be able to absorb into its employ a large proportion of the nation's workers? This would seem to be necessary if we were to rely exclusively upon public building as a road to prosperity. Of course, it is possible that the government, without taking over a major part of the industrial activity of the nation, might employ enough men and put enough money to work by use of its credit so as to give industry a big push upward. It is possible that, with this initial push, private industry might gradually get onto its feet.

The Thirty-Hour Week

The Shorter Workweek: The Senate has passed the Black bill forbidding the shipment across state lines of goods produced in establishments working their employees more than thirty hours a week. This bill

has not been passed by the House of Representatives and will be supported by President Roosevelt only in case certain modifications are made. He would like greater flexibility in the act. Certain industries can be held to thirty hours a week, he thinks, while others cannot. The canning industry, for example, is obliged to run at full speed during the season when fruits or vegetables are ripe, and if the canning factories were held during that season to a thirty-hour week they could not take care of the produce supply. This is one of many illustrations of the need for modification in the act.

It is possible, however, that a modified act calling for reduction of hours of labor may become a part of the administration program. It is argued that it would be better for all, or nearly all, of the workers to be employed at short hours, than for only a part of them to be employed at longer hours.

Some Possible Effects

There is much speculation as to how this rule would work out in practice. If an employer were obliged to cut down the hours of work and to increase the number of the employed, would the workers who had been employed before receive as much for the shorter hours as they had been receiving for the longer hours? If so, the employer would be bearing the cost of the increased employment. The legislation would operate as a tax upon employers, the money to be used to give employment to those who are out of jobs. But are employers able to bear this expense? Many of them are working on a very narrow margin. Very, very many are today threatened with bankruptcy. If they were obliged to add greatly to their costs, many would be forced to close their doors and this would defeat the purposes of the legislation.

The employer might be able to raise his prices. If this were done generally, it would operate as a sales tax, for it would increase the price of goods to people who buy products of all kinds. The consumers, then, would be taxed to create a fund to give work to the jobless. There is another possibility, and that is, that the wages of the workers already employed would be cut. They would receive as much per hour, but not as much per day or per week as they have been receiving. The total wage bill would remain the same in that case, the difference being that more workers would share the wages. If this plan were followed, it would operate as a tax upon workers to create a fund to take care of the jobless.

It appears that the shorter workweek, if generally established, would lessen destitution. It would give work to many people who are now unemployed, but it would not greatly increase the purchasing power of the nation. It would not add to the total amount of money to be spent for goods. It would be more in the nature of a plan to relieve distress incident to unemployment than of a plan to stimulate business and lead the country out of depression.

A Broader Plan

Governmental Stimulation of Industry: There is under consideration a more drastic program than either of these. In fact it takes both of the others into account. This plan has not taken definite shape. There is, however, under consideration some such program as this: Let there be created a board like the War Industries Board, which exercised such great control over industry during the war. Let this board fix the amount of production which each industrial establishment may carry out. It may then provide that the plant in question shall produce that amount of goods. The business concern may borrow money from the Reconstruction Finance Corporation to increase its production. The board may specify what the wages shall be and what the price of the product shall be. It may assure the owners of the plant that if they borrow the money, increase their production, and employ additional men, the government will guarantee them against any loss they may sustain through their borrowing and through their expansion of business.

(Concluded on page 8, column 4)



ERE is the record of Congress for the week ending April 18. Received President Roosevelt's message asking legislation to refinance home mortgages—on homes valued at \$10,000 or less.

SENATE. Agricultural Committee favorably reported the Norris Muscle Shoals bill. Added an amendment into the farm bill providing that farm prices be raised according to the cost of production, rather than to pre-war levels. Banking and currency subcommittee unanimously agreed on a permanent banking reform bill. Defeated Senator Wheeler's amendment to farm relief bill for free coinage of silver on a 16 to 1 ratio with gold. Four senators—Wagner, Costigan, Cutting and LaFollette—conferred with President Roosevelt relative to a vast public works program, minimum wages and shorter hours of labor.

HOUSE. Passed the farm mortgage refinancing amendment to the farm relief bill. Passed administration's arms embargo resolution. In adjournment a large part of the week.

Steel Takes Hope

Myron C. Taylor, chairman of the board of the United States Steel Corporation, sounds an optimistic note. He says that the corporation's operations have advanced to 21 per cent of capacity, the highest point reached since March, 1932. Mr. Taylor believes this upturn is largely due to President Roosevelt's courageous action since assuming the presidency. As the steel industry is usually considered a barometer of industrial conditions, the outlook is hopeful.

Now for the Railroads

The administration's program to place the country's railway systems on a more solid basis is gradually taking shape. President Roosevelt has held numerous conferences with government officials who are working on this problem. It seems certain now that bills approved by the president will soon come up for consideration in both branches of Congress. Mr. Roosevelt looks with favor upon the plan of granting wide powers to a federal coordinator—appointed by him—to effect economies in the transportation systems, including reduction of officers' salaries, and to eliminate costly services to communities that could be served as well by bus and truck. Mr. Roosevelt believes, however, that caution is required in dealing with the railway problem at the present time, as vast amounts of money are invested in the roads by insurance companies, savings banks and educational institutions. Too drastic reorganization now, he thinks, might produce serious repercussions in the nation's business structure. But, Mr. Roosevelt thinks, emergency legislation can be enacted at once and a more permanent reorganization can be effected when Congress meets next January.

In a Soviet Courtroom

On April 13 the dramatic trial of the six Englishmen, who were placed under arrest in Moscow several weeks ago, was begun. (See page 4.) The Soviet government produced what it considered ample evidence that five of the six men had entered into a conspiracy to wreck the major power plants of the Soviet Union. Only one of the six Englishmen, William MacDonald, confessed his guilt to this charge on the first day of the trial. A little later in the trial Mr. MacDonald was praised by the prosecutor for his courage in being truthful, but in spite of this it was thought that he would receive one of the heaviest penalties given to any of the Britishers.

Another of the prisoners, L. C. Thornton, before the trial started, had written out a confession to the crimes charged against him and also had put into writing that one of the heads of the Metropolitan-Vickers Company—the concern in Moscow for which all the Englishmen worked—was employed in the British Intelligence Service and that a number of employees of this company were used to gain information for the British government. At the trial, however, Mr. Thornton violently denied this written statement, saying that it had been forced out of him by third degree tactics of the Soviet police.

As the trial was nearing a close, the prosecutor asked mercy for the six Englishmen but demanded the extreme penalty for the Russian prisoners who were being

tried on the same charges. The prosecutor declared that even though the Englishmen were guilty, there was some excuse for foreigners in attempting to hurt another country but that there was no excuse for natives to do so. The Soviet leaders, no doubt, decided to adopt a more moderate attitude toward the Englishmen, because of the otherwise certain danger of England's breaking off diplomatic and trade relations with Russia. By the time this paper reaches its readers the outcome of the trial will be known.

President Roosevelt

President Roosevelt has accepted the resignation of Eugene Meyer as chairman of the Federal Reserve Board. Mr. Meyer, a wealthy former investment banker, was chosen to head the Reserve Board by President Hoover in 1930. He has won high favor with the conservative element of Congress but some of the progressives have criticized him on the ground that under his guidance the Reserve System was being operated more for the benefit of Wall Street than the country at large. During the World War, President Wilson selected Mr. Meyer to serve as a member of the War Industries Board—the organization which had complete control over American industry when the country was engaged in war. Since then he has served at various government posts, all of which have been connected with problems of finance.

Pan-American Day

April 12 was Pan-American day. It was the annual celebration of the formation of the Pan-American Union—the organization located in Washington, D. C., which works for closer commercial and intellectual relations, and for international cooperation among the twenty-one American republics. In an address before the governing board of the Pan-American Union, President Roosevelt declared that he regarded "existing conflicts between four of our sister republics as a backward step." (He referred to the hostilities between Peru and Colombia over possession of the Amazon port of Leticia, and the undeclared war between Bolivia and Paraguay in the Chaco, which has already resulted in a large loss of lives). Mr. Roosevelt also declared in his Pan-American day address that "it is of vital importance to every nation of this continent that the American governments, individually, take without further delay, such action as may be possible to abolish all artificial barriers and restrictions which now hamper the healthy movement of trade, between the peoples of the American republics."

R. F. C. Head

Jesse H. Jones of Texas is slated to be the next chairman of the Reconstruction Finance Corporation. He succeeds Atlee Pomerene, who resigned from this office on March 4. Mr. Jones, a Democrat, is a native of Texas. He acquired considerable wealth in the business world and then became interested in politics. It was his influence in 1928 that was responsible for the holding of the Democratic convention in Houston, Texas—the convention that nominated Alfred E. Smith for the presidency. Since his appointment by former President Hoover to the Reconstruction Finance Corporation, Mr. Jones has given his entire time and efforts to that post. His appointment has raised much opposition, as it is felt by many that his policy will be too much like the former chairman's; that is, it will be too conservative, thus making it difficult to obtain loans for self-liquidating projects at low rates of interest from the Reconstruction Finance Corporation.

First Woman Envoy

Mrs. Ruth Bryan Owen, daughter of the late William Jennings Bryan, has the distinction of being the first woman who has ever been selected as a minister to a foreign nation. Mr. Roosevelt has appointed her as ambassador to Denmark. She is a native of Nebraska, but has resided in Florida for a number of years. Serving as a nurse during the World War,

she married a British officer, traveled throughout Europe, returned to America and entered the field of education. In 1929 she was elected to the House of Representatives from a Florida district, but was defeated last year.

Startling Criticism

Major General Johnson Hagood has charge of an army post in Omaha, Nebraska. Last week he was asked to appear before the House Military Committee. He did so and created quite a stir of comment in official Washington when he told the House Military Committee that the War Department is so "topheavy" that "the shock of war would destroy it." He presented a plan of reorganization which, he said, would save \$50,000,000 a year and would wipe out many conflicting agencies and complicated functions that are utterly useless. His testimony received widespread publicity, for it is very unusual for an army officer to criticize the department under which he serves.

Faster and Faster

A new world's record for speed in the air was made a few days ago by Francesco Agella, an Italian. He flew his highly specialized plane for a considerable distance at an average speed of 423.7 miles an hour, or slightly more than seven miles a minute. The previous record had been made several months before by Lieutenant Stainforth of Great Britain, when he piloted his plane at an average speed of 406 miles per hour.

Arms Embargo

The House on April 17 passed the administration arms embargo resolution by a vote of 253 to 109. Under the terms of this resolution President Roosevelt is given authority to place an embargo on munitions and arms shipments to any country where such shipments "may promote or encourage the employment of force." The president, however, is directed to obtain the cooperation of other arms-manufacturing nations before applying an embargo. After passing the House, the resolution was sent to the Senate where a real fight was expected to develop against the measure. Those opposed to the resolution contend that it could be used to embroil the United States in international disputes. Those in favor of it say that by giving the president this power we are less likely to become actively engaged in international conflicts, for if all the major powers would refuse to ship munitions and armaments to "aggressor" nations, there would be fewer wars. (The executives of all other major powers have been invested with this authority.)

Reforestation Camps

President Roosevelt has approved sites for fifty camps, all in national forest, where the first 10,000 men will be put to work on his reforestation program. Then camps will be set up in Virginia, five in West Virginia, three in New Hampshire, one in Vermont, one in Maine, six in North Carolina, one in South Carolina, five in Tennessee, four in Georgia, seven in Arkansas, one in Alabama, one in Oklahoma, five in Pennsylvania. As over 25,000 men have already been recruited for this work, sites for other camps are being chosen.

Complaining Stockholders

The 85th annual meeting of the stockholders of the Pennsylvania Railroad was held in Philadelphia a short time ago. A bitter attack was made by one of the stockholders relative to the "excessive" salaries paid to high officials of the company. "The stockholders are getting little from the railroad," the attacker said, "because the officers are getting all the profits in huge salaries." He was greeted with much applause as he concluded his statement. The president of the Pennsylvania Railroad receives \$109,000 a year. He had been receiving \$140,000 annually up to nine months ago, but since then he has taken four salary cuts. The complaint is

frequently heard to the effect that railway workers and stockholders are compelled to suffer losses because of the enormous salaries paid to high officials.

Absolutely Zero

Professor W. F. Giauque of the University of California has attained the coldest man-made temperature on record. By the use of a magnetic cycle process which the professor developed, he can produce a temperature of 459.1 below zero Fahrenheit. The mark is within a small fraction of the absolute absence of heat. Many scientists say that attainment of complete zero would be extremely valuable both from a commercial and scientific standpoint. It is believed that new low temperatures can be used to manufacture a super-steel, and also that this research will contribute to the study of the structure of the atom.

Inflationists Rebuked

The advocates of inflation have received at least a temporary setback. On April 17 the Senate voted against the proposal of Senator Wheeler, Democrat, of Montana, for free coinage of silver at a ratio of 16 to 1 with gold. The vote was 43 to 33. Senator Wheeler put his silver plan in the form of an amendment to the administration's farm relief bill, which was passed by the House several weeks ago and which has been under consideration in the Senate since. The Montana senator and other inflationists are in favor of a bimetallic standard, with the currency of the country backed not by gold alone but by gold and silver. Most proponents of this plan, including Senator Wheeler, usually desire the value of silver to be one-sixteenth of gold. Hence the frequent cry of "Sixteen to one."

It is argued that by placing the country on a gold and silver standard, the resultant expansion of the currency would restore purchasing power and cause prices to rise. Shortly before the vote was taken on Senator Wheeler's silver proposal, President Roosevelt voiced his disapproval of it, assuring its certain defeat. Mr. Roosevelt wishes to leave such problems as remonetization of silver for topics of discussion at the forthcoming World Economic Conference.

Happy Days for Postmasters

Postmaster General James A. Farley allayed many fears several days ago when he announced that there would not be wholesale dismissals of postmasters merely for the sake of patronage. In fact, he said, all efficient postmasters working at first, second and third class offices, whose tenure is for four years, will be permitted to serve out their terms. More than 15,000 positions are included in these three classes.

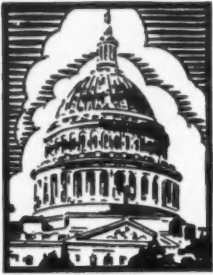
Army and Navy Slashes

Army appropriations for 1934 will be reduced \$144,000,000. This proposed curtailment was announced after Secretary of War George H. Dern conferred with President Roosevelt last week. It is another step in the president's economy program. Mr. Dern estimates that a reduction of 12,000 to 15,000 in the enlisted personnel and the retirement of about 4,000 officers will be involved in the drastic cut to be made in the War Department's 1934 appropriation. Other savings will be made by eliminating for one year citizens' military training camps, by reducing National Guard operations, by eliminating and consolidating posts and stations and by curtailing expenditures on river and harbor work. A slash of \$50,000,000 is also anticipated in the 1934 appropriation to the Navy Department.

D. A. R.

Approximately 3,000 members of the Daughters of the American Revolution attended the forty-second annual national convention which convened in Washington last week. The traditional policies of this society were once again set forth at the meetings. Mrs. Russell William Magna, president-general of the society, delivered an address in which she declared that she stood "shoulder to shoulder with you in not recognizing a country which has for its avowed purpose the destruction of our system of government" (meaning Russia). Pleas were also made for "the rescue of the army and navy from false economy," for more strict immigration laws and for the continuation of national prohibition.

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As the Editor Sees It

THE conversations now under way in Washington will lead to a successful conclusion only if the people of each nation concerned are prepared to make some sacrifices. National objectives are more or less in conflict. Each nation wants to sell to its neighbors, but not to buy. Each wants to be strong enough in armaments to defeat the other states. The nations which are in debt want to cancel obligations, and the creditors want to collect. In circumstances such as these, the necessity for compromise is clearly indicated.

Compromise in international relations, however, is hard to obtain. In the early stages of negotiation, people are inclined to be friendly and accommodating in spirit. Just now everyone expresses sentiments of good will as MacDonald, Herriot and other foreign representatives begin their parleys with President Roosevelt. But suppose, as a result of the conversations and of the world economic conference, there come suggestions for real concessions. Suppose that, as our part of an arrangement looking toward a way out of world economic chaos, we are advised to let down the bars which check imports from abroad and to relieve our debtors of part of their burden. If these suggestions are made, cries of protest will be heard. Opposition will be voiced to any concession by America. Many Americans will assume that a sacrifice of any sort on our part would be unpatriotic and "un-American."

The notion that any concession by America should be avoided is so strong that advocates of compromise usually feel the necessity of proving that these alleged concessions really represent no real loss to us. Those who favor cancellation of the debts owed to us by foreign governments do not dare advocate reduction on the ground that debt payment would impose an intolerable burden upon the debtor peoples. They take care to argue that debt reduction would help American commerce and that, from a narrowly nationalistic, business standpoint, it would serve our inter-

ests. If one is unselfish in motive, he must deny it and pretend to look at the subject from a narrow point of view in order to preserve his popularity and influence.

We need to look at world problems and interests as we look at national problems and interests. A citizen of New York or Kansas or California is not ashamed to say that he favors courses which will serve the interests of the people of the nation as a whole. In the long run, he thinks that if America is served, his own state will fare well enough. But at any rate he has learned to consider the broader interests. So intimately interwoven are the interests of peoples all over the world, that there should be a statesmanship and a citizenship which will acknowledge a devotion to the welfare of people throughout the world. One would think it would not be hard to develop such a regard for peoples everywhere in a civilization which is professedly Christian. The trouble is that in international dealings Christianity bears too little weight.

THE pace of Congress is slowing up. Bills are no longer being pushed through with the rapidity which characterized the action of Senate and House early in March. The committees are giving extended consideration to the president's suggestions. Because the committees have not finished their work on important measures, the House of Representatives is idle. The Senate dallies over the bills before it. There are predictions that the special session of Congress will last until late in the summer.

And, as Congress holds back, the critics raise their voices. They say that Congress is inefficient and obstructive. They pray for the day of adjournment. They speak as if Congress were an unmitigated evil. These criticisms of Congress are not new. They are heard during every session. They were especially noticeable late in the Hoover administration.

It is a fact that neither house of Congress is an impressive body. The House of Representatives is particularly lacking in statesmanship of first rank. Few of the 435 members had been heard of outside their own states when they entered Congress. Few of them have been noticed since. They are above the average of American citizens, but they are not leaders of high quality. The mediocrity of Congress is due in part to our constitutional system. Congress does not attract our greatest men. Members of the Senate or House do not pass naturally into the cabinet as they do in England and most other countries. A governorship is more attractive as a step toward the presidency. Furthermore, a senator must be a citizen of the state from which he is elected, and a representative is required by law to be a citizen of the state and by custom to be a resident of the district which he represents. This encourages the sending up of lo-

cal mediocrities rather than national leaders.

But the relatively poor showing of Congress is not due wholly to the caliber of the members. It is partly a matter of organization. A large legislative body is likely to move slowly and ineffectively. Each member represents districts or states, and is concerned with local interests. He is looking out for special groups in order to strengthen his own position. It is hard for him to see the interests of the nation as a whole. And it is always hard for a large number of men to get together, iron out differences and agree upon compromises. It is almost impossible to get action quickly. That is especially true when there is not centralized leadership such as is supplied in England by the cabinet, which sits in the House of Commons and leads in the formulation of legislation.

There is not much use, then, to complain about Congress. Its shortcomings are inherent in our governmental system. So long as we have a Congress elected as ours and organized as it is and led as it is, we will have about the results we have always experienced. If, all things considered, this system works fairly well, there is no need to complain. If one decides that the system does not work well enough, his most effective protest would seem to lie in a demand for a constitutional change. Congress might, for example, be made more like the British parliament, with a responsible cabinet in charge. Or the president might be given power to initiate legislation, or even to proclaim laws, subject to a veto by Congress.

IT WOULD be well to withhold judgment concerning the trial of British engineers in Russia until the evidence has been more carefully sifted. One should not allow his attitude toward communism to determine his opinion. Whether or not we like the Russian system has nothing to do with it. The fact is that British engineers working in Russia have been accused of trying to destroy the machinery in Russian plants. They have been accused of acting as spies to secure Russian industrial or political secrets. They are being tried in a Russian court. The Russians feel as deeply about it as Americans would if Russian communists were on trial here, charged with spying and destroying our machinery. The British are naturally aroused because of their fear that their fellow countrymen may be having an unfair trial. There is no evidence thus far, however, leading to the conclusion that the accused British are being treated worse than communist suspects would probably be if they were being tried in British or American courts. This incident should not affect the question of American recognition of Russia one way or the other.

THERE is some basis for the belief, however, that the Soviet authorities felt impelled to take a lenient attitude toward the prisoners because of their anxiety over the question of American recognition. Before this incident took place it appeared that the new administration was ready to consider favorably the recognition of Soviet Russia. The president had announced that he retained an open mind on the subject, and it was confidently predicted that it would not be long before cordial relations between the United States and Russia were established.

But since the arrest of these British subjects, there has been a noticeable decline in the talk about Soviet recognition. Strained relations between Great Britain and the Soviet government could hardly be calculated to improve the chances of a change in American attitude. There is evidence that the Soviets, who are more than ever desirous of obtaining recognition, have appreciated this. When the trial began they



THE WATCH ON THE RHINE

—Fitzpatrick in St. Louis POST-DISPATCH

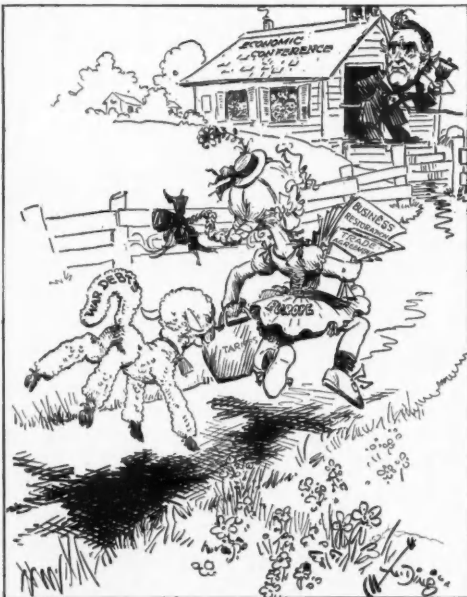
appeared disposed to lay severe penalties on the British prisoners. But as the hearing progressed, the authorities in Moscow obviously backed away from this position and appeared anxious to remain on good terms with Great Britain, which in turn might be expected to have a favorable reaction in the United States.

CONSIDERABLE misapprehension and a certain amount of ill feeling have been occasioned by a recent announcement that the French government has decided to spend more than a million dollars for propaganda purposes. The misunderstanding arises over the construction placed on the word "propaganda." The term is usually construed as having a sinister meaning and as implying the spreading of malicious and false information. It hardly seems necessary to state that the French have no thought of anything of this kind. As used in this instance in France, the word "propaganda" means "publicity." It should have been so translated in the press dispatches sent to the United States.

THE Germans are vexed because members of the British government have condemned the persecution of Jews in Germany. They are protesting against this alleged meddling in their affairs. These protests appear foolish and futile. The outside world seems to have little influence over the conduct of the German government, but it is just as true that the Germans cannot control opinion beyond their borders. Neither can they check the expression of opinion, and they might as well recognize that fact. They can persecute Jews and communists if they want to, but they can't make the rest of the world like it.

Protests against German persecution sometimes take very silly forms, however. A case in point is the suggestion made by a member of Congress that Max Schmeling be prevented from boxing in America because Jews have been denied participation in German sports. Schmeling should be treated as an individual and not as a German. He should not be blamed for what other Germans may be doing. A just complaint may be made against German intolerance, but that complaint cannot appropriately be voiced by the practice of intolerance in this country.

LAST year, when Japan was in the midst of her campaign to detach Manchuria from China, there were published reports and rumors to the effect that the Japanese intended ultimately to dominate the whole of Asia. These accounts were declared to be without substance, but one cannot help recalling them to mind now that Japan has launched a determined offensive into China proper, south of the Great Wall. The important cities of Peiping and Tientsin are threatened, and if they are captured Japan will have extended her influence over another large section of China.—W. E. M.



AND EVERYWHERE THAT MARY WENT—

—Darling in N. Y. HERALD-TRIBUNE

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

Recent Books

MARIE ANTOINETTE: The Portrait of an Average Woman. By Stefan Zweig. New York: The Viking Press. \$3.50.

Few personalities in history afford a more abundant wealth of material for the romantic biographer than this ill-starred daughter of the House of Hapsburg. And few biographers have seized more avidly the opportunity than Stefan Zweig, himself an Austrian with an enviable gift for vivifying history. In this, his latest book, he retells the story of the daughter of Maria Theresa in such a way as to hold the attention of the most exacting reader. When Zweig tells about Marie Antoinette's childhood in Vienna; her voyage to the country of her adoption to meet her future spouse amid the flourish so inherently a part of eighteenth-century autocracy; the heyday of intrigue and riotous living at Versailles; the Little Trianon interlude; the story of the diamond necklace; the distant rumblings of an epoch-making revolution; the imprisonment in the Tuileries, the Temple and the Conciergerie; the final solitude, downfall and decapitation; and all the other episodes in the life of the "Queen of the Rococo"; he is displaying a skill for narration on a plane with that of the renowned Dumas.

As romantic biography, Zweig's book is of the first order. To the scores of documents unearthed in European archives, which lend color and throw new light on the career of the queen of France, he adds a psychological interpretation possible only to one who has steeped himself so thoroughly in the science of the mind. He tries to show how the entire course of history was shaped by the early life of Marie Antoinette, those tragic first years of her life in common with the colorless Louis XVI. Zweig speaks with frankness throughout—a frankness which may shock the more sensitive readers but which is necessary to remove the maze of myth that has hitherto enshrouded the life of the queen.

As history, "Marie Antoinette" has its weaknesses. Not only are there certain inaccuracies and statements of questionable authenticity, but certain events of historic import are glided over. Thus, the reader whose sole objective is the quest of historic truth will find a more factual recital of events more satisfactory. But few, indeed, will be able to find a more readable, more exciting, more human book than the one which has come from the skillful pen of Herr Zweig.

PEOPLE WORTH TALKING ABOUT. By Cosmo Hamilton. New York: McBride and Co. \$2.50.

This is a book containing twenty-nine personality sketches of persons prominent in the field of literature. The majority of the sketches deal with contemporary writers although there are a few chapters about authors whose deaths have occurred in recent years and whose works entitle them to enduring fame. Names such as George Bernard Shaw, Rudyard Kipling, H. G. Wells, Joseph Conrad, John Galsworthy, Sinclair Lewis and Arnold Bennett are typical of the selection of literary favorites with whom Mr. Hamilton has dealt in his volume. He describes their early environment, tells of their struggles for recognition, names their outstanding works and above all he pictures their more intimate characteristics in a way that could only be done by one who is personally acquainted with those about whom he writes. Unfortunately there are too few books of this nature—books that portray the personalities of persons who are making important contributions to contemporary life. Therefore, we believe that this volume should be on the shelves of every individual's library.

GARRETS AND PRETENDERS: A History of Bohemianism in America. By Albert Parry. New York: Covici-Friede. \$3.50.

This is a book that will appeal rather to the student of American literature than to him whose interests lie in the political and economic fields. For it is obvious that an appreciation of Bohemianism in this country, in its true as well as faked forms, is contingent upon one's acquaintance with the scores of men and women—major and minor figures in American art and letters—who have passed across the scene since the middle of the last century. From the days of Edgar Allan Poe to the present-day Greenwich Village with its characters, Mr. Parry surveys the entire field—a task representing untiring research and effort.

As suggested by the title, much of American Bohemianism has been and is sheer pretension. Receiving their inspiration from direct contact with or from tales of the carefree existence of the artists of Paris, the cradle of Bohemianism, American artists, those with real talent along with the would-be's, have sought to bring that blessed state of living to this country. And the result has often been more ludi-

crous than anything else. In true American fashion, it has been overdrawn until there exists none of the spontaneity and naturalness that mark the Bohemianism of Paris and other European centers. In a word, American Bohemianism has, for the most part, become a fad, taken up by a host of people because it was the smart thing to do.

Every aspect of the subject is touched by Mr. Parry—Bohemian centers in all parts of the nation, from those of New York where the lack of conventionality was frowned upon by respectable people to those of the Southwest which received the blessing of chambers of commerce, women's welfare leagues and culture-promoting societies. Nor are the expatriates forgotten. The American Bohemians who have found Europe more to their liking are carried through the boom years to the present depression which has forced them to forsake their familiar Montmartre haunts to the pleasanter and cheaper atmosphere of Mallorca.

Magazines and Newspapers

POLAND'S SO-CALLED CORRIDOR. By Ignace Jan Paderewski. *Foreign Affairs*, April, 1933. "You may read today in the newspapers and magazines that what is called the Polish Corridor was taken away from Germany. This is not correct. Towards the end of the tenth century Boleslav the Brave made it a realm of the Polish Crown—that is to say, 933 years ago. From 1308 to 1454 it was under the domination of the famous Teutonic Knights; but from that date until the first partition (of Poland) in 1772 it formed uninterruptedly an integral part of Poland. From 1454 to 1793 Danzig was united with Poland, and during this time was one of the chief ports of the old continent."

IN OUR STARS. The World Fifty Years from Now. By Julian Huxley. *Forum*, April, 1933. Mr. Huxley, while fully aware of the dangers of prophecy, ventures a few prognostications as to the state of the world in which we shall live fifty years hence. And, in most respects, it will not be so different as many of us have been prone to believe. Utopia will not have been reached. Nationalism with its unsettling consequences will not have been supplanted by internationalism. In a word, the millennial era will not have begun in fifty years. Rather, the forces so manifestly at odds today will continue their struggle then. The important changes, however, which Mr. Huxley considers probable of realization are:

Politically, the world will be organized into about six federations—the United States of America, Soviet Russia, the British Empire, the United States of Europe, the Central and South American Union, and China-Japan. Each of these federations will endeavor to be self-sufficient, as the individual nations try today, but



SINCLAIR LEWIS
A caricature by Conrado Massaguer in "People Worth Talking About."

they will clash with each other in trying to absorb outside markets. In fifty years, we shall be in the technological revolution which will have forced most of the industries to organize for more efficient operation—a high degree of industrial planning. Labor will reap a greater share of the profits of industry and will work only four and one-half hours a day.

Governments will devote more time, attention, and money to social welfare than they are doing today. They will have special departments the duty of which will be not so much to relieve distress as to provide for better living. "It is largely the problem of finding ways of working which people shall enjoy." Religion will have undergone drastic changes by 1983. People will live in mass-produced houses.

WHERE THE ROAD DIVIDES. While lauding the accomplishments of the Roosevelt administration, particularly the president's wisdom and courage in handling the veteran and banking problems, the New York *Herald-Tribune*, Republican journal, frankly expresses concern as to the future course of action:

The danger that lies ahead is of a totally different character, in our judgment. It is that under the guise of emergency legislation regulatory laws will be passed which will carry the country a long distance from its old standards of individual freedom and initiative toward a socialistic state. A somewhat similar pretense is already visible in the farm bill. Much may be said for an effort to tide the wheat farmer over his temporary emergency until his acreage can be reduced to a pre-war basis and tariffs become effective upon prices. . . . But in the same bundle are added help for cotton and tobacco, which almost certainly would tend to become permanent subsidies and which can have no possible relationships to tariffs.

The Tennessee project also faces both ways. Defensible in part as a source of emergency labor and in line with the general expansion of governmental activities, it threatens to grow into a vast socialistic enterprise the end of which it is difficult to forecast.

In the doorway thus opened to paternalism in the name of emergency the ominous Black thirty-hour-week bill is now thrusting its way. To be sure, the president has expressed his insistence upon changes, upon flexibility, and so on. An agreement "in principle" often fails to materialize in law. Here especially the practical and constitutional difficulties are appalling. A comparison with the War Industries Board and similar wartime controls at once suggests itself. Carefully restricted in time and purpose, a legitimate argument can be made for some such treatment of the present crisis. Unfortunately whereas the purposes sought in the war emergency were clearly defined, there is little agreement as to either purposes or methods today. As the form of the original Black bill disclosed and as the utterances of some of its supporters have revealed, the proposal is inspired by an all too vague knowledge of American business realities and an all too strong faith in Karl Marx.



—From a painting by Lepine in the Louvre

THE GARDENS OF THE TUILERIES IN PARIS

Where Marie Antoinette and Louis XVI were imprisoned at the beginning of the revolution.



ONE of the interesting phenomena of American politics, as gleaned from the most superficial study of our history, is the complete lack of cleavage between

Differences in Political Philosophy

the two parties on the fundamental principles of government. Unlike other countries having a democratic form of government, the political parties in the United States have not persistently adhered to a definite economic and political philosophy. In every campaign, the Democratic and Republican parties have been divided on specific issues. On certain public questions one party has been pledged to a course more beneficial to the interests of the farmers and the workers than the other party. At times, both parties have incorporated in their platforms planks designed to attract the votes of the masses by promising legislation favorable to them. On a number of occasions, the so-called liberal or progressive wing of a party has wrested control of the party machinery from the hands of the more conservative or reactionary wing. But it cannot be said that either party has consistently been the party of liberal principles and the other the party of conservative principles.

Such a division does exist in European politics. The political parties of France, Great Britain and other nations differ essentially on fundamental economic and political principles. The parties representing the liberal views—those which recommend the establishment of a more democratic form of government and which urge the enactment of legislation more favorable to all the people, such as laws protecting the workers and the ordinary citizens—are known as the Left parties. On the other side of the political arena are the conservative or Right parties—those which insist upon maintaining the existing order of government and which are reluctant to give great power or privileges to the people as a whole. The names of the parties in England, for example, indicate these conflicting political views very clearly—Liberal, Conservative and Labor.

Despite this lack of division in American politics, however, there have been definite movements for reform through political action. The first of these sprang up in the decade following the Civil War and sought to combat the fraud and corruption which became so rampant during the Grant administration. It was the Liberal Republican party the leaders of which were such men as Charles Francis Adams, Carl Schurz, Lyman Trumbull, William Cullen Bryant and Horace Greeley. In the election of 1872, the Liberal Republicans ran Horace Greeley, a selection which precluded the possibility of victory at the polls because of the candidate's unpopularity. They demanded in their platform a more liberal attitude toward the Southern states and civil service reform.

Aside from the sporadic agrarian movements of the seventies, eighties and early nineties, such as the Greenback, Granger and Populist movements—which were definitely progressive or liberal in their political views, demanding such things as the strict regulation of the railroads, government ownership and operation of certain industries, a graduated income tax, and various proposals designed to better the lot of the farmers and laborers—there was no major development of liberalism until the great commoner, William Jennings Bryan, appeared on the scene in 1896. At that time the Democratic party

Rise of Liberal Movement in Politics

By David S. Muzzey and Paul D. Miller

was torn from its former conservative moorings and took up the cudgels for the "common" man, the "little" man—the small shopkeeper and farmer and laborer.

But if the liberal movement did not manifest itself politically until the late nineties, it was gradually taking shape in other forms before that time. Several years earlier, a number of the nation's leading magazines opened a vitriolic campaign against graft and corruption in high places. Politicians in state and city governments were exposed and lambasted untiringly by the so-called muck-rakers of the Lincoln Steffens caliber. The practices of the big business and industrial corporations were flayed by writers who resented the exploitation of the many by the few. Sentiment was roused against the huge trusts, the Wall Street crowd, and the bankers who were said to be gobbling up the small, independent business men.

The unearthing of political corruption in city and state governments brought forth fruits in the form of reform mayors in a number of cities, and reform governors in the state capitols. Men who denounced special privilege and promised to work for the common good were placed in charge of the government of Cleveland, Toledo and other American cities. These reformers were determined that the financial "monsters" should no longer be allowed to prey upon the people by charging them exorbitant rates for electricity and trolley services. The sporadic rumblings of discontent thus began to show positive political results in many sections of the country.

Several decades of low agricultural prices made the Bryanism of 1896 almost inevitable. The farmers of the West and Middle West chafed under

the burden of mortgages constantly falling due and no funds available to make payment. They demanded justice. They sought redress against the mighty financial interests of the East which, in their opinion, were responsible for their woes. The conservative elements of the party, represented by such men as Grover Cleveland, were overwhelmed at the Chicago convention and a platform decidedly inimical to the interests of big business was adopted by the delegates. In addition to the money issue, which the Democrats sought to solve by the remonetization of silver, the platform called for other reforms beneficial to the common man. It demanded an income tax and the "passage of such laws as may be necessary to protect labor." The Democratic party became the party of protest against existing conditions, the haven of the "forgotten man" of that decade.

But conservatism was not to be unhorsed so easily and the business and industrial sections were to remain in control of the governmental machinery. The liberal movement, however, was not killed in 1896. Its next influential exponent was Theodore Roosevelt who, upon his accession to the presidency, stirred the public conscience to the need for reform. Although accomplishing little himself in the way of permanent reforms, Roosevelt did lay the groundwork for the adoption of a number of liberal principles. This period was the heyday of agitation for women's

suffrage, the direct election of senators, the income tax, the adoption of state primaries and the initiative and referendum.

The breach between the Rooseveltian Republicans and the conservative wing of the party became so great that it resulted in a complete split in 1912. The liberals started a third party, the Progressive party, with Roosevelt as their candidate for the presidency, while the stand-patters renominated President Taft. That year, the Democrats nominated a liberal in the person of Woodrow Wilson, advocate of the "new freedom." It appeared for a while that the people were actually going to receive a "new deal" through their political leaders.

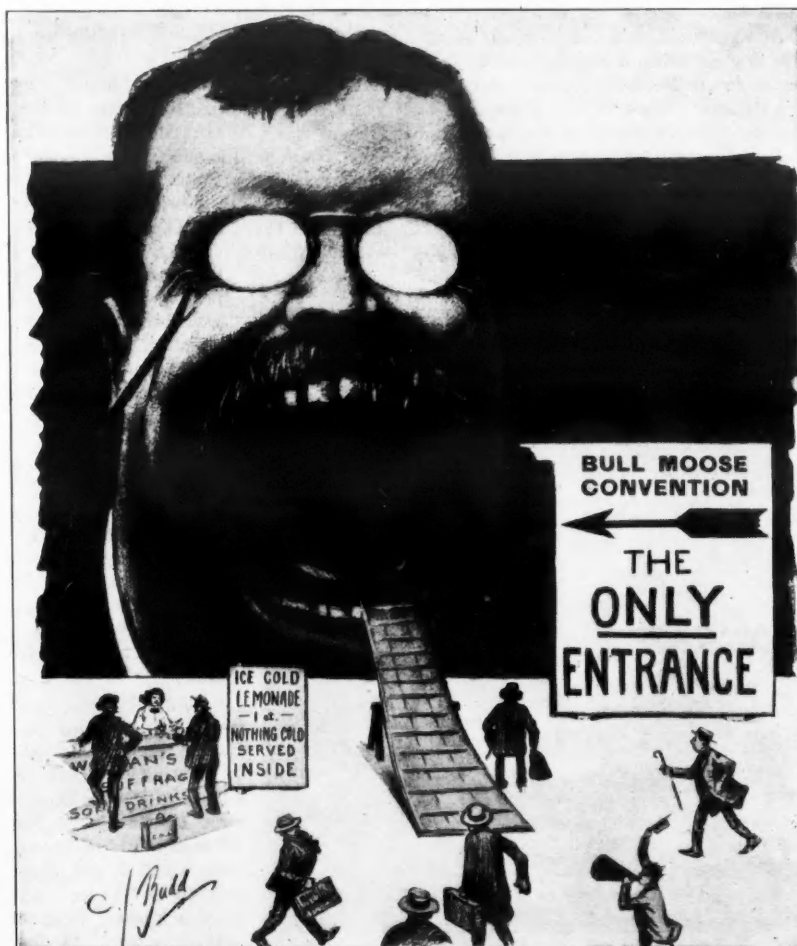
But the entire movement was brought to a sudden halt by the World War. All the nation's energy had to be concentrated on the struggle against the enemy. No time could be devoted to legislation conducive to greater social and economic justice and consequently all efforts to carry out a program of complete liberal reform went by the boards. The permanent landmarks of this twenty-year period of liberalism are the adoption of such principles as women's suffrage, the graduated income tax, the direct election of senators and so forth.

The post-war period was not propitious for the resumption of the liberal movement. People everywhere were worn out

by the harassing experiences of the World War and wanted only one thing—the return to "normalcy." Thus, the country embarked upon a twelve-year period of Harding normalcy, Coolidge prosperity and Hoover rugged individualism. Conservatism was again victorious as it had been following the Civil War and the liberals, still to be found among the members of both parties, were impotent in carrying out any constructive program.

During this period, several attempts were made to revive the spirit which had permeated the country in 1912. In 1920, an effort was made to rally the disgruntled farmers and workers behind a progressive party movement but the experience was none too heartening and the presidential candidate received little support. In 1924, a desperate attempt was made by the progressives of all political faiths to seize control of the government. Senator Robert M. La Follette of Wisconsin, perhaps the most sincere, untiring, clear-thinking and truly representative progressive the country has known, headed the ticket. All La Follette's life had been devoted to the cause of the common people. In his home state he had put through reform after reform. He had made the state university a laboratory for political experimentation.

The future course of progressivism in the United States is unpredictable at the present time. Democratic and Republican liberals have placed great faith in Franklin D. Roosevelt. Many Republicans deserted their party in the recent election to support Mr. Roosevelt in the belief that he would throw all his weight to the liberal cause. But it is too early in his administration to say what type of reform the president will seek. Certain it is that his philosophy of government differs markedly from that of his three predecessors in the White House. His frequent appeals for a new deal and his constant references to the "forgotten man" in addition to the firm tone of his inaugural address and other public utterances would indicate that liberalism has found another ardent exponent in the person of Mr. Roosevelt.



—Culver Service

A CARTOON WHICH APPEARED IN HARPER'S WEEKLY IN 1912, EDITED AT THE TIME BY GEORGE HARVEY.

Capital City Is Undergoing Rapid Transformation

Government Building Program Progressing

In the past, students and others visiting the nation's capital have manifested surprise, if not disappointment, at the arrangement, or rather lack of arrangement, of government buildings. These visitors expected to see upon their arrival a systematic grouping of government buildings somewhat on the order of a college campus. Instead, they found the buildings scattered all over the city. They even found that certain departments were housed in a number of different buildings. For example, the Department of Agriculture was scattered in forty-nine separate buildings, and the Department of Commerce in eighteen. The utter lack of planning stared every visitor to Washington in the face.

But a transformation is under way in the capital at the present time. Old governmental structures are being torn down, or used for other purposes, and new ones are being erected. The new ones are being built comparatively close together. Certain sections of the city are beginning to take on the appearance of college campuses. Of course the various buildings are not being placed so near to each other as to give a crowded effect. In many cases small parks with fountains and flower gardens are being constructed to separate the different buildings. And none of these structures can exceed 130 feet in height; as a matter of fact no building in Washington can be erected to a greater height, as a law to this effect was enacted in 1910.

Most of the government building program is being carried on in the vicinity between the Capitol and the White House. Just in the last year or two there has been a great change of appearance along the famous Pennsylvania Avenue, which connects the Capitol with the White House, and which every four years is the scene of an inaugural procession. Block after block of old buildings—reminiscent of momentous historical events—are being demolished and in their places are being erected modern, beautifully designed government buildings. The change is taking place so rapidly that it is difficult even for Washingtonians to keep pace with the progress that is being made.

This program recalls the name of Major L'enfant, the French engineer who, at President Washington's request in 1791, drew plans for the layout of the nation's capital. He visualized a magnificent city on the banks of the Potomac river. Through his foresight the city of Washington has been saved millions of dollars. He planned extremely wide streets and avenues, though at the time much more narrow ones would have been ample. He was ridiculed for his optimism. But as a result there is no need for widening many of Washington's downtown streets as there is in other large cities, which are compelled to pay from two to twelve million dollars a mile for street widening in order to meet modern needs. (This huge expense is chiefly due to the necessity of setting back buildings.)

We might add that the large building program now being undertaken by the federal government in Washington is more than merely a plan to beautify the city. A number of the various departments are in dire need of more space. During the war and up to 1926 there was practically no expansion of facilities for the different branches of government and yet the work of carrying on the government had greatly increased. So this program is needful. When it is completed the nation's capital will be a model of city planning.

HOUSING PLAN

The Illinois Housing Commission has devised a back-to-the-land plan for aiding the thousands of destitute people in Chicago. A large number of unemployed families will be placed on half-acre plots of good soil within thirty miles of the



ARCHITECTS' MODEL OF THE NEW GOVERNMENT BUILDING PROGRAM NOW UNDER CONSTRUCTION IN WASHINGTON. —Photograph by Horydzac.

center of the city. There they can raise vegetables, chickens, several cows, certain kinds of fruit and other food products. The land and a house with modern conveniences will cost only \$2,700 and this amount can be paid over a long period of time. Then when these people receive employment again they will be able to live comfortably even if they receive small wages. If they work in Chicago it will only be a short drive from their homes to their places of employment. Here is what the *Washington Daily News*, a Scripps-Howard newspaper, has to say about this plan:

Chicago, in its enlightened plans for colonizing its jobless families on nearby farmlands, may point the way to a happy solution for the problem of slum abatement. . . . Creation of a new type of American family life, half-rural and half-urban, has been urged by many leaders from President Roosevelt down. Workers must have better homes, and with them they should have a bit of soil on which to raise food against a rainy day. Marginal farmers, too, need wages to supplement their incomes. In a nation so rich in land resources and so provided with fast transportation both of these suffering classes could find more security in a semi-rural, semi-industrial region. Such a housing movement is growing in European industrial countries.

America has 9,000,000 city "homes" described as unfit for human habitation. Difficulties in razing and rebuilding them are staggering. The land on which they are built often is too costly for cheap and commodious tenements. The trend of industry toward decentralization makes such ventures uncertain. Traffic problems render city life each year more difficult. The Chicago plan offers not only a more economical solution; it provides a saner way of life for those who work for wages. . . . As we do away with the filthy regions that cities consider good enough for working families let us provide not only better dwellings but a better way of life.

ACCIDENTS DECLINE

A recent report published by the Automobile Club of New York estimates that the number of deaths due to automobile accidents last year was reduced 4,500 from the year before. In 1931 there were 33,500 automobile fatalities, while last year there were 29,000. Moreover, 1932 saw a considerable reduction of injuries received in motor accidents compared to 1931. On the surface, therefore, it would seem that last year was the turning point of a constantly rising tide of automobile fatalities. But there are other factors which make the picture less bright. There were fewer cars driven in 1932 than had been the case for at least five years be-

fore. Perhaps, then, the depression was the benefactor most responsible for saving several thousand American lives last year. What will happen when normal times return and nearly everybody drives an automobile again?

The hope is that more states will adopt the code of the National Conference of Street and Highway Safety, or similar measures designed to check motor accidents. The organization we mention has worked out a unified plan for accident prevention through sane methods of traffic regulation. As moderate as this plan is, only a small number of states have adopted it in full, or have substituted another plan in its place. Despite the fact that every year since 1920, with the exception of 1932, motor casualties have greatly increased, many states are still reticent in enacting legislation that will restrict the freedom of automobile operators—legislation that will save thousands of these operators' lives each year.

INDIAN BUREAU HEAD

After spending ten years of criticism of the way the government has handled Indian affairs, John Collier, executive secretary of the American Indian Defense Association, has been named Indian administrator by President Roosevelt. For more than ten years, Mr. Collier has been vitally interested in the problems of the Indians, having spent considerable time among the Pueblos of the Southwest. The organization of which he is executive secretary was founded in 1923 for the purpose of protecting the Indian's rights and property and combating legislation and policies inimical to the interests of the Red Man.

3.2 FOR HOUSE

For the first time in thirty years, beer was sold in the restaurant of the House of Representatives last week to congressmen, their employees and friends. Within four hours after the 3.2 beer went on sale, 720 bottles—30 cases—had been consumed by the thirsty guests. Representative Lindsay C. Warren of North Dakota, who is in charge of the House restaurant, declared that the sale of brew would contribute to the wiping out of the annual deficit of more than \$10,000 under which the restaurant is operated. The restaurant in the other wing of the Capital, used by members of the upper house, has not yet started to sell beer.

THOUGHTS AND SMILES

"How would Shakespeare be regarded if he were alive today?" asks a writer. Surely as our oldest inhabitant. —*London PUNCH*

If this municipal scrip craze continues, the advice not to take any wooden nickels may come to have a literal meaning.

—*Philadelphia EVENING BULLETIN*

What are the playwrights going to do for material if legal beer puts the gangsters out of business? —*New York HERALD-TRIBUNE*

If you are idle you are on the road to ruin; and there are few stopping places upon it. It is rather a precipice than a road.

—*Beecher*

"Nobody knows how anybody else lives," says a critic. Leisurely window-cleaners, however, get a very good idea.

—*London PUNCH*

Mr. Roosevelt hopes to get the unemployed out of the woods by putting them into the forests.

—*Louisville TIMES*

During the last eighteen months the reading population of London has increased by almost one-quarter million. At this rate there will soon be as many readers as writers.

—*London PUNCH*

Legislators who cut their own salaries qualify for the title of political economists.

—*Chicago DAILY NEWS*

Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.

—*Henry Clay*

The extension of life expectancy is understood to have nothing to do with the Arkansas man who has just received his third life sentence.

—*Louisville COURIER-JOURNAL*

Fifty hens have been stolen from Mr. Norman Thomas's place at Cold Spring Harbor, and when the left wing boys hear about it they will begin referring to him as "that so-called Socialist."

—*F. P. A. in New York HERALD-TRIBUNE*

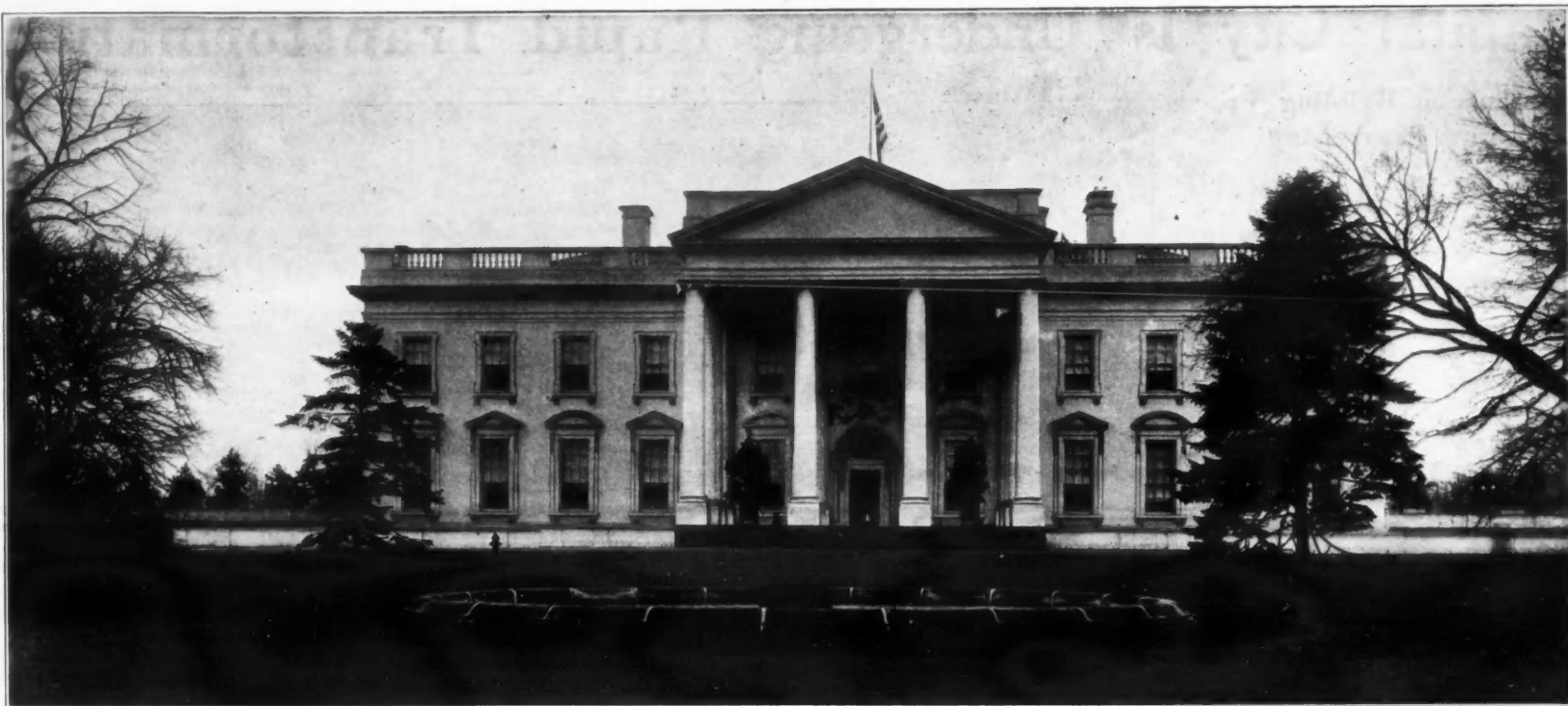
Congress is in session again, and the taxpayers will have to pay that gas bill, too.

—*New York HERALD-TRIBUNE*

Gold is coming out of hiding. It probably doesn't want to be called "yellow" any more.

—*New York HERALD-TRIBUNE*

PRONUNCIATIONS: Ishii (i'she-ee-i as in hit), Giulio Gatti-Casazza (Jew'lyo gat'tee ca-sat'sa—a as in father), Lucrezia Bori (loo-cray'tseea bo'ree—o as in or), Stefan Zweig (shtay'fahn tswig—i as in hide).



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THE WHITE HOUSE BECOMES THE MOST IMPORTANT SPOT IN THE WORLD AS PRESIDENT ROOSEVELT TAKES THE LEADERSHIP IN THE BATTLE AGAINST DEPRESSION.

President Conferring With Foreign Visitors

(Concluded from page 1, column 1)

after this is written) at the same time as Prime Minister MacDonald and former Premier Herriot becomes important. Canada will have much to say with regard to the decisions to be considered this week.

Other Nations Asked

It must not be supposed, however, that these few countries will attempt to formulate a concrete program for the World Economic Conference. They will not conclude definite and binding agreements. They will only attempt to arrive at a common understanding as to what the conference should accomplish. Given this, preparations can go ahead for the actual convening of the meeting. President Roosevelt will be in a better position to discuss the problems with the representatives of other nations. It is known at this writing that Italy will send her finance minister, Guido Jung, who was scheduled to sail today. Japan plans to send her famous statesman, Viscount Ishii. Germany will be represented by her new ambassador, Dr. Hans Luther. Finance Minister T. V. Soong will come on behalf of China. The representatives of the other nations have not been announced.

In addition to discussions with special delegates from each of these eleven nations, the president has invited forty-two others to join in advance parleys with the United States through their regular diplomatic representatives in Washington. Thus, nearly every nation, with the notable exception of Soviet Russia which the United States has not recognized, will have the opportunity of discussing the program for the World Economic Conference with the United States before that meeting actually takes place. They have not all been asked to send special envoys because it was believed that this would take too much time and would prove too cumbersome. It will be noticed that the eleven nations which are sending representatives are distributed geographically so as to represent the entire world—Great Britain, France, Italy and Germany for Europe; Japan and China for the Far East; Mexico for Central America; Argentina, Brazil and Chile for South America and Canada to complete North America.

The principal problems to be discussed during this and following weeks in Washington, we have already outlined in *THE AMERICAN OBSERVER*. They are, in the main, tariffs and other trade restrictions and monetary difficulties including war

debts. They do not require further treatment at this moment. There is something else, an outstanding and perhaps historic development which commands our attention.

Change in Policy

This something is the drastic change in American foreign policy which Franklin D. Roosevelt has brought about as suddenly as he has proposed and has passed measures involving modifications in our domestic policy. From all appearances, the president has abandoned our policy of isolation and has caused the United States to assume world leadership. It harks back to the time of the last Democratic president, Woodrow Wilson. Franklin D. Roosevelt has world-wide prestige and confidence somewhat comparable to Wilson's. His opportunity is great just as Wilson's was. Happily, however, it is in a different field. Mr. Roosevelt does not take leadership in a war among nations but in a war against depression. If any man can help the world in defeating this enemy, it is he. The president has answered the call to leadership. He will attempt to spell success for the World Economic Conference.

In making this effort, Mr. Roosevelt will abandon the policies of previous Republican administrations. Through his secretary of state, Cordell Hull, he has let it be known that the United States is willing to discuss lower tariff rates as a means of restoring the free flow of international commerce. President Hoover, in accepting an invitation on behalf of this country to join in the conference, specified that tariffs and war debts must not be discussed. Mr. Roosevelt, however, sees no reason why all problems should not be discussed. And he intends to be prepared to go beyond mere discussion. He expects to come to the conference ready to conclude binding agreements which will result in a lowering of tariffs.

Congress

But, we may ask, how can the president do this without the consent of Congress? The answer is that Mr. Roosevelt has been making plans to have Congress grant him blanket authority to negotiate binding tariff agreements before the conference convenes and perhaps even before the visiting statesmen come to Washington. He expects to have all the congressional authority he needs in his pocket before the conference convenes. He will not do as Wilson did,—pledge the United States to a treaty and then attempt to push it through Congress. Congress will be asked to do its work beforehand. It is believed that the president, by virtue of his tremendous personal influence, will be able to obtain

this consent from Congress although that body will give it most reluctantly as it will mean the yielding of another power of Congress to the president. Mr. Roosevelt will also probably ask for advance authority to deal with the war debts. Such action will most likely involve a moratorium on the June 15 installments pending final agreement.

War Debts

In fact, war debts will be a major topic of discussion in Washington during this and coming weeks. Both Prime Minister MacDonald and former Premier Herriot have indicated that they are more interested in the debt question than in anything else at the present moment. They consider it essential that the problem be disposed of before the London conference meets. They believe that war debts are among the chief obstacles to a restoration of trade and that the sooner they are wiped out the better.

President Roosevelt does not take exactly this point of view. It seems to be his opinion that the debts are comparatively a minor issue and that if other questions are settled they can be taken care of without much difficulty. He would like, mainly for political reasons, to have Great Britain and France and other countries pay their installments on June 15. More than this, he would like the defaulted countries to make their December payments. But Mr. Roosevelt apparently realizes that he will most probably not be able to obtain such concessions from our European debtors, although it is conceivable that France will make her December payment. It will most likely be necessary to grant a moratorium for the June payments. This will serve to postpone the debt issue until the conference, or even after, if necessary.

Thus, President Roosevelt makes preparations for his "new deal" in international politics. His task here is tremendous just as it is in the domestic field. He is certain to meet with stiff opposition when any suggestion to lower the tariff is made. Special groups and interests which have largely been responsible for our present high tariffs are certain to make themselves heard. It will be declared that any reduction of the tariff would be ruinous to American industry. There are many people who are sincerely convinced that this is true. Mr. Roosevelt, however, appears to believe otherwise. He of course does not think that foreign countries should be permitted to flood our markets with their goods. But he seems convinced that it would be possible to effect some tariff readjustments which, in the long run, would react to the benefit of the country as a whole. Opposition will hardly deter him if he continues the record set in the early

weeks of his administration. He has personal influence both in this country and abroad which should prove more than sufficient to counteract the forces against him.

ROOSEVELT PROGRAM

(Concluded from page 2, column 4)

The idea behind this plan is as follows: Steel manufacturers would be willing to begin at once to increase their output if they knew that the automobile manufacturers were at the same time increasing their production. The automobile manufacturers would be willing to make more cars if they knew that the cotton mills and other factories were expanding. The cotton mills would increase their activities if they knew that other factories of all kinds were taking on more employees and adding to purchasing power. And so it would go all along the line. There would thus be instituted a sort of national industrial planning. Governmental assistance would be accorded to the various industries and each of them would be induced to expand. This increased expansion would create new purchasing power and new demand for all kinds of goods, and after a while we would find private industry everywhere stimulated, employment increased, purchasing power developing, prices rising, prosperity returning.

Those who advocate this plan would have the government go ahead with its public building program, at the same time they would have the workweek shortened. They would go ahead with the present plans for raising the prices of farm products. They would go so far as to provide for minimum wage legislation, so that wages everywhere would be kept up. It is this sort of broad plan for national recovery which is now commanding the serious attention of the president and his advisers.

The Metropolitan Opera Company, which for a time seemed in danger of being swept out of existence by the forces of depression, will continue for another year. Some weeks ago the plight of the organization was made known and an appeal for funds was broadcast. A committee under the chairmanship of the noted singer, Lucrezia Bori, was formed, and an intensive drive to obtain donations totaling \$300,000 was begun. It was announced last week that \$277,000 had been collected and that there was every prospect that the goal would be reached and perhaps surpassed. Thus, this famous American opera company, organized fifty years ago and for the last twenty-five under the direction of Giulio Gatti-Casazza, will continue to serve the public.